

HOPKINS & SUTTER

(A Partnership Including Professional Corporations)

2800 Livernois, Suite 220, Troy, MI 48063-1220
TEL: 248.740.6600 FAX: 248.740.6613

WITH OFFICES IN
CHICAGO • WASHINGTON DC • TROY

RECORDATION NO. 15439-F

APR 23 '98

3-03 PM

MARY P. SCLAWY
Direct Line: 248.740.6602
Email: msclawy@hopsut.com

February 18, 1998

Secretary
Surface Transportation Board
Room 704
1925 K Street, NW
Washington, DC 20423-0001

APR 23 3 03 PM '98

RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Secretary:

Enclosed for recordation pursuant to statute and 49 CFR 1177 are seven counterparts of a Memorandum of Lease ("Lease") and Lease Assignment ("Assignment"), dated as of January 1, 1998 ("Memorandum"), among Grand Trunk Western Railroad Incorporated ("Lessee"), US West Financial Services, Inc., Mercantile Safe-Deposit and Trust Company ("Original Agent") and The Bank of New York ("Successor Agent"). The Lease and Assignment (to which this Memorandum pertains) are dated as of December 1, 1987. The units which are covered by the Lease and Assignment are 145 fully enclosed bi-level autoracks with tie-downs, bearing identification numbers 88000 - 88144, both inclusive.

The Lease and Assignment were recorded with the Interstate Commerce Commission on December 31, 1987, and assigned recordation numbers 15439-B and 15439-C, respectively.

The parties to the Memorandum of Lease and Lease Assignment are:

Owner:	US West Financial Services, Inc.
Lessee:	Grand Trunk Western Railroad Incorporated, successor-in-interest to Grand Trunk Western Railroad Company
Original Agent/ Assignee	Mercantile Safe-Deposit and Trust Company

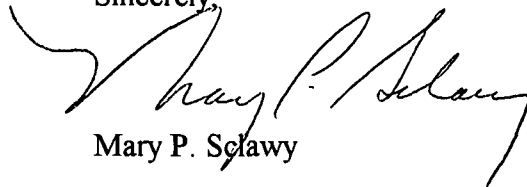
Successor Agent/: The Bank of New York
Successor Assignee

Enclosed is our check in the amount of \$24.

Please accept one counterpart of this document for filing, stamp the remaining counterparts with your recordation number and return them and the fee receipt to the undersigned at the following address:

Mary P. Sclawy
Hopkins & Sutter
2800 Livernois
Suite 220
Troy, MI 48083-1220

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary P. Sclawy", written in dark ink.

Mary P. Sclawy

C: John Lamont re GT lease of 12-1-87

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

MARY P. SCLAWY
HOPKINS & SUTTER
2800 LIVENOIS, STE. 220
TROY, MICHIGAN 48083-1220

DATE: 4/23/98

DEAR:MADAM:

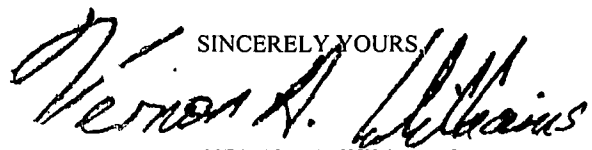
THE ENCLOSED DOCUMENT(S) WAS RECORDED PURSUANT TO THE PROVISIONS OF 49 USC 11301

AND 49 CFR 1177.3 (C), ON AT 4/23/98

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ASSIGNED RECORDATION NUMBER(S). 15439- E AND 15439-F.

SINCERELY YOURS,



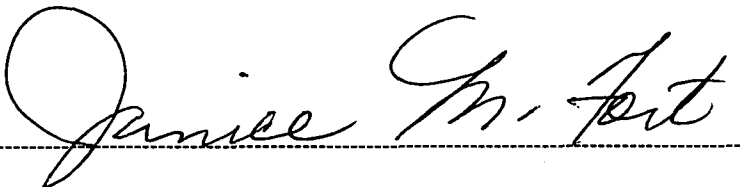
VERNON A. WILLIAMS
SECRETARY

ENCLOSURE(*S)

52.00

\$-----THE AMOUNT INDICATED AT THE LEFT HAS BEEN RECEIVED IN PAYMENT OF A FEE IN CONNECTION WITH A DOCUMENT FILED ON THE DATE SHOWN. THIS RECEIPT IS ISSUED FOR THE AMOUNT PAID. IN THE EVENT OF AN ERROR OR ANY QUESTIONS CONCERNING THIS FEE, YOU WILL RECEIVE NOTIFICATION AFTER THE SURFACE TRANSPORTATION BOARD HAS HAD AN OPPORTUNITY TO EXAMINE YOUR DOCUMENT.

SIGNATURE-----



APR 23 '98

3-03 PM

MEMORANDUM OF LEASE AND LEASE ASSIGNMENT dated as of January 1, 1998, among GRAND TRUNK WESTERN RAILROAD INCORPORATED, a Delaware corporation (hereinafter called the Lessee), US WEST FINANCIAL SERVICES, INC. a Colorado corporation (hereinafter called the Owner), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as agent under the Participation Agreement referred to below (hereinafter, in such capacity, called the Original Agent), and THE BANK OF NEW YORK, as successor agent under the Participation Agreement referred to below (hereinafter, in such capacity, called the Successor Agent).

WHEREAS pursuant to the Participation Agreement dated as of December 1, 1987 (hereinafter called the Participation Agreement), among Grand Trunk Western Railroad Company (predecessor in interest of the Lessee), Grand Trunk Corporation, the Owner, the Original Agent and the investors therein named, the Original Agent was appointed to act as agent for such investors in the transactions described below;

WHEREAS the Lessee and the Owner have entered into the Lease of Railroad Equipment dated as of December 1, 1987 (hereinafter called the Lease), covering the railroad equipment listed in Schedule A hereto, bearing the identification numbers shown in said Schedule A, and all additions and alterations thereof, replacements thereof and substitutions therefor (hereinafter collectively called the Equipment);

WHEREAS the Owner has assigned the Lease to the Original Agent pursuant to the Assignment of Lease and Agreement dated as of December 1, 1987 (hereinafter called the Lease Assignment);

WHEREAS the Lease and the Lease Assignment have been recorded with the Interstate Commerce Commission pursuant to former section 11303 of Title 49 of the United States Code and assigned recordation numbers 15439-B and 15439-C, respectively, and deposited with the Registrar General of Canada pursuant to section 86 of the Railway Act of Canada on December 31, 1987:

WHEREAS the Successor Agent has succeeded the Original Agent as agent under the Participation Agreement and assignee under the Lease Assignment.

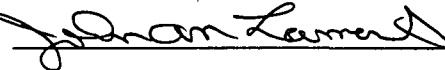
NOW THEREFORE,

(a) the Successor Agent does hereby confirm its agreement to assume and undertake all of the obligations of the Original Agent under the Participation Agreement, and, as agent thereunder, under the Lease Assignment and the other agreements and instruments entered into by the Original Agent in connection therewith; and

(b) the parties hereto wish to record this memorandum pursuant to section 11301 of Title 49 of the United States Code, as amended by the ICC Termination Act of 1995, and to deposit this memorandum with the Registrar General of Canada pursuant to section 105 of the Canada Transportation Act, to show for the public record the succession of the Successor Agent to the Original Agent, and to afford the parties hereto the benefits of said statutes with respect to the Lease, the Lease Assignment and the Equipment.

IN WITNESS WHEREOF, the parties hereto have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

GRAND TRUNK WESTERN RAILROAD
INCORPORATED,

by 

US WEST FINANCIAL SERVICES, INC.,

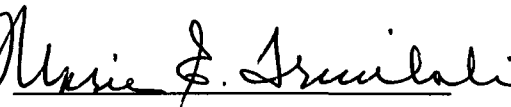
by 

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY,

as agent, as aforesaid,

by 

THE BANK OF NEW YORK,
as agent, as aforesaid,

by 

PROVINCE OF QUEBEC)
) SS.:
DISTRICT OF MONTREAL)

On this 31st day of January, 1998, before me personally appeared John A.N. Lamont, to me personally known, who, by me being duly sworn, says that he is duly authorized to state that the foregoing instrument was signed on behalf of GRAND TRUNK WESTERN RAILROAD INCORPORATED by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Gene J. ...
Notary Public
lawyer

My commission expires

STATE OF COLORADO)
) SS.:
COUNTY OF *Arapahoe*)

On this 13th day of January, 1998, before me personally appeared *Steven R. Carlson*, to me personally known, who, by me being duly sworn, says that he is *Vice President* of US WEST FINANCIAL SERVICES, INC., and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Huffman
Notary Public

My commission expires 4/27/2001

STATE OF MARYLAND

City
COUNTY OF BALTIMORE

)
) SS.:
)

On this *28th* day of January, 1998, before me personally appeared *Constance Philpot*, to me personally known, who, by me being duly sworn, says that she is an *Vice President* of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that the foregoing instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Marion D. Allen
.....
Notary Public

My commission expires *11/16/98*

STATE OF NEW YORK

COUNTY OF NEW YORK

)
) SS.:
)

On this *23* day of January, 1998, before me personally appeared *MARIE E. TRIMBOLI* to me personally known, who, by me being duly sworn, says that he is *ASSISTANT TREASURER* of THE BANK OF NEW YORK, and that the foregoing instrument was signed on behalf of said bank by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

William J. Cassels
.....
Notary Public

My commission expires

WILLIAM J. CASSELS
Notary Public, State of New York
No. 01CA5027729
Qualified in Bronx County
Certificate Filed in New York County
Commission Expires May 13, *1998*

SCHEDULE A

<u>Quantity</u>	<u>Description</u>	Identification Numbers <u>(inclusive)</u>
145	Fully-enclosed bi-level autoracks with tie-downs	88000--88144

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